

5-2014

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Alexandra Michelle Somborn
University of Arkansas, Fayetteville

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**Is Perception Reality? Evaluating the Country-of-Origin Effect and its Implications
for New Business Ventures in Costa Rica**

by

Alexandra Michelle Somborn

Advisor: Dr. Molly Rapert

**An Honors Thesis in partial fulfillment of the requirements for the degree
Bachelor of Science in International Business in Marketing**

**Sam M. Walton College of Business
University of Arkansas
Fayetteville, AR**

May 10, 2014

Abstract

“As travelers, business leaders, employees, parents and consumers, we make decisions related to countries every day: how we describe our identity, where we choose to live, who and where we buy our products from, where we educate our children, where we set up our companies and where we go on holiday...Every time we make a decision informed by an association with a place, it creates the future” (Country Brand Index). For the past eight years, FutureBrand has released a Country Brand Index Report that polls thousands of people worldwide to gather their perceptions of countries and rank the countries according to the varying associations people have. It can be said that countries are as much a brand as BMW sports cars are a brand, Prada handbags are a brand and Lindt Chocolates are a brand. What is unique about each of these brands though is that each is generally associated with a country. The general population may hear “BMW” and immediately think of Germany and the high quality cars they produce. A similar reaction with Prada handbags, knowing that they are made in Italy which is a country known for its fine leather products, and of course Lindt chocolates which come from Switzerland, a country that has made a name for itself in the chocolate market. Countries can make or break their reputation not only by the associations that people have with the products that they are known for, but also by factors such as economic and political stability, standard of living, and characteristics of their citizens and how outsiders view the country based on these factors. As FutureBrand recognizes, “travelers, business leaders, employees, parents and consumers” all make decisions related to countries every day, generally based on their perception of the country. The insight that comes from evaluating a country’s perceptions is not only valuable to the everyday consumer, but also to someone who might be seeking new business ventures in a country. It is key to understand how the rest of the world sees a country, because the perceptions an individual has will affect their interaction with the country, from buying products from it to actually visiting it.

Introduction

These perceptions and associations that FutureBrand measures and uses to rank countries are based on an idea called the Country-of-Origin Effect, which is essentially the theory that people attach stereotypical “made-in” perceptions to a country, based on what they know, have experienced, or have heard about a country. From this ‘effect’ then, it has been proven that people make purchasing decisions based in part on their perceptions of a country. Furthermore, a country’s reputation can thrive or suffer based on how people view that country. This chain of effects has been proven for numerous countries in Europe; however, it has not been evaluated in a country that I have invested a significant amount of time and research in. It is with FutureBrands’ report in mind, as well as my own personal queries, that I want to extend the country-of-origin (COO) research to Costa Rica, which has made its way into number 25 of FutureBrand’s Top 25 Country Brands. Through research and a proprietary collection of data, I want to discern whether or not people’s perceptions of Costa Rica are a reality, and how someone seeking new business ventures in Costa Rica, as well as the country of Costa Rica as a brand, might use these perceptions to formulate appropriate and effective marketing strategies for their

brand. The purpose of my research is (1) to better understand the country-of-origin effect and how Costa Rica compares to other nations based on a standardized set of indicators, (2) to analyze the role certifications play in consumer purchasing decisions and how this information might affect exporters of products and services from Costa Rica, specifically as it relates to coffee, and (3) to analyze people's general perceptions of Costa Rica and how combined with the country-of-origin effect and certification information, this analysis can be used to determine marketing strategies for new business ventures in Costa Rica as well as strategies for Costa Rica as a country.

Theme 1: Country of Origin Effect – the “Made-In” Idea

Through a review of published literature and online sources, I gathered information from multiple venues in an effort to define and better understand the country-of-origin effect and other factors that comprise the concept.

Over the last 50+ years, the definition of “country-of-origin” construct/effect/theory/etc has been widely debated. Many researchers have posited that there are several factors that make up the “country-of-origin construct” but at the most basic level, it has come to be known as “the idea that people attach stereotypical ‘made-in’ perceptions to a product from specific countries which influence purchase and consumption behaviors in multinational markets” (Pisharodi). This idea of “made-in” stereotypes began as far back as 1887 when England passed a law forcing foreign companies to make the origins of their products clear (Rayasam). This particular effort was created to stigmatize German products that had been circulating as copycats in Britain. Though it was an annoyance at first to these foreign companies, it evolved later into a marketing strategy that denoted high quality and authenticity to a point where consumers associated “Made in Germany” with a positive connotation. This “made-in” idea still exists today, though it isn't always explicitly stated as such. “Produced-in”, “grown-in”, “hand-sewn-in”, and “manufactured-in” all essentially mean the same thing - “made-in”. Studies have shown that consumers respond a certain way to these “made-in” claims. It is not expressly clear however what specific variables lead to these “made-in” stereotypes. A review of previously published literature though, has led to the conclusion that “all factors impinging on the marketing environment have a potential of impacting consumption behavior” which leaves room for great interpretation of what constitutes “all factors” (Pisharodi). The basic idea is that the knowledge, or lack thereof, that someone has about a country's environmental, political, social, and economic climate has the potential to influence their purchasing decisions.

Each of these factors also forms what has come to be known as “country-of-origin image” or more simply “country image”, which Nagashima defines as, “the picture, the representation, the stereotype that businessmen and consumers attach to products of a specific country...created by such variables as representative products, national characteristics, economic and political background, history and tradition” (Pisharodi). Put simply, it is “a marketing concept that captures consumer's differentiated attitudes toward different nations” (Jenes). As discussed, country image encompasses many elements such

as national symbols, colors, clothing, typical buildings, objects, tunes, pieces of literature, specialties of the political system, customs, historical heritage and many more (Jenes). All of these factors play a role in determining a country's "image", which can affect the way a consumer views the country's product and service offerings. After a review of existing literature, I was unable to find any research on the country-of-origin perceptions of Costa Rica. With this as further motivation, I decided to focus my research specifically on Costa Rica and thought it imperative that I provide the framework for what the country-of-origin effect and country image are to get a baseline understanding of consumers' perceptions of Costa Rica. Because Costa Rica is so well known for its coffee, I decided to delve into the realm of product certifications and if they play a role in the consumer purchasing decisions. Keeping the idea of new ventures in mind, I later focus specifically on how Costa Rican coffee is perceived.

Theme 2: The Certification Conundrum

With information literally at consumers' fingertips 24/7, the average shopper is becoming more information savvy when it comes to making decisions in the supermarket. With a trend toward sustainable buying appearing more visibly, the choices consumers face in supermarkets are numerous, as they seek to discern what is the best purchase for them in relation to price, brand, and sustainability. Recognizing this trend toward sustainable purchasing, companies have begun flooding the market with more reasons for someone to buy their product, usually utilizing certifications and "all natural" claims ultimately as marketing ploys. So not only are consumers faced with numerous products to choose from, but now they must decide what is really important to them when it comes to making a purchase. Is the product organic, is it certified by the Rainforest Alliance, is it Fair Trade certified, is it certified at all? What is the deciding factor for making a consumer choose one apple over another? Or one brand of coffee over another? My goal in this portion of my research is not to define what each certification is, but rather to see if certifications play a role in the decision making process of consumers. With this in mind, I hope to evaluate how big of a role certifications play in the decision-making process, and what implications this gives for new business ventures in Costa Rica.

According to the "Re:Thinking Consumption – Consumer and the Future of Sustainability" article published jointly by BBMG, GlobeScan and SustainAbility in 2012, a survey of thousands of consumers across six international markets, reported that 40% of consumers rely on "certification seals or labels on product packaging" for their most trusted source of information about whether a product is environmentally or socially responsible (regenerationroadmap.com). The subsequent sources for trustworthy information were found in media reports (31%) and consumer reviews (28%). It is clear that certification carry some weight in the decision making process. When asked what most influenced the consumer to try something different from their usual brand, "environmental impact/benefit" dropped to 8% of consumers across the six markets and "supports causes I believe in/has positive social impact" fell in dead last at 4% of consumers. Interestingly enough, "Origin-where it comes from" fell between the two at 5% of consumers. This presents an interesting problem for new brands trying to emerge

as socially and environmentally responsible, because clearly, consumers like the information that certifications provide, however, when it comes to buying or trying something new, certifications and country-of-origin appear to have little or no effect on decisions. Especially those brands that will try to differentiate themselves by trying to capitalize on the uniqueness of their country of origin.

Costa Rica has, in recent years, prided itself on being known as a sustainability-focused country, with an increase in the development of renewable energy sources such as hydroelectric power and wind turbine technology, as well the continuation of strict protection of a large percentage of its forests. In 2012, 90% of Costa Rica's electricity was generated from renewable energy sources (Costa Rica Star). It has also boasted sustainability goals such as becoming the first carbon-neutral nation by 2021, by way of nurturing its forests. Thus, Costa Rica has positioned itself as a country committed to sustainable initiatives. However, there are three items among its top ten exports that could fall prey to the certification conundrum – Bananas (5.8% of overall exports), Tropical Fruits (5.4%) and Coffee (2.0%) (Observatory of Economic Complexity). Coffee, Costa Rica's 6th largest export, generates almost half a billion dollars per year, and is quite possibly one of the most stigmatized items of certification interest today. According to an online article published by AZCentral.com, as of April 2013, coffee is a \$30 billion-a-year national industry, and is continuing to grow. According to the National Coffee Association's 2013 Online Survey, an average of 83% of adults drink coffee in the U.S. (azcentral.com) and according to globalexchange.org, coffee is the world's second most traded commodity, only behind crude oil. With coffee being such a huge commodity, it is important to note the implications that these facts impinge on Costa Rica's coffee market and what they could mean for exporters of the country's coffee. Even though consumers rely heavily on certifications and labels for a trustworthy source of information, those aspects appear to not heavily influence the motivation behind switching behavior of consumers. Therefore, in an effort to better understand how someone wanting to start a coffee related business in Costa Rica might be successful, I conducted further research by collecting proprietary data about the college age demographic and their views on the importance of certifications as it relates to coffee, as well as coffee drinking habits and other information.

Setting the foundation of my research with defining the country-of-origin effect and image, as well as looking at the role certifications play in the buying process, I sought to further understand how each of these elements affect the perceptions that consumers have of Costa Rica and how Costa Rica might use these factors as a foundation upon which to build better marketing strategy for itself as a country.

Theme 3: Is Perception Reality?

In light of my delineation of the country-of-origin (COO) effect and country image, as well as the role of certifications as they relate to coffee, I next examine the role that these factors play in the perception of a country. In the book, *International Marketing and the Country-of-Origin Effect*, Giuseppe Bertoli asserts that with the growth of globalization,

(the expansion of businesses, technologies and philosophies to foreign markets) comes the opportunity for the COO effect to become greater (Bertoli, 2012). This is because more people have increased exposure to foreign products in their home markets, and when they see that “Made in” sticker, or even hear of a product or service originating from a specific country, they immediately think of all of the associations they have with that country, both good and bad. The effect of COO on consumers is evaluated from three different measures that shape their overall perception of a country. These three measures are:

- *Country image (CI): focuses on the definition of factors that contribute to create the country image, such as cognitive beliefs and affective components;*
- *Product-country image (PCI): which considers the effect of country image on products manufactured in a certain country;*
- *Product image (PI): which emphasizes the quality image of specific products marketed by firms associated with different countries*

(Bertoli, 2012)

These three components provide a framework from which to judge a country’s overall reputation according to the rest of the world. This framework is extremely important to the country itself as well as international businesses and foreign investors, because it is an indicator of the country’s success in a world market. If a country has negative perceptions, it is possible that their whole economy could suffer. The COO effect aggregates from every realm of a country – its economy, social climate, political stability, tourism industry, etc and from personal perceptions of each of these components, entire businesses, governments, all the way down to the consumer, make decisions based on those perceptions.

The COO effect can have negative as well as positive implications for a country. Say an international company is seeking a foreign country to outsource one of its business processes to. If they perceive a country to be politically unstable or unwelcoming of foreign investment, then it is likely that the country in question will not be considered as a possible destination for outsourcing. On the other hand though, that country may be known for a diverse terrain and welcoming culture, which would most likely attract the attention of tourists considering a destination for their next vacation. Juxtaposing the two ideas, you can see how the COO effect can in essence work against itself, which is the main reason why countries must work to highlight specific qualities of their “brand” so that they are presenting a seamless front to outsiders looking in.

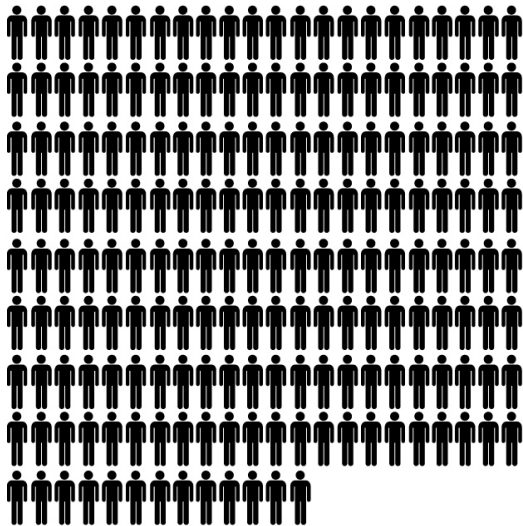
It is with the framework of how the COO effect works that countries can gauge how foreigners view them, and from this, they can develop marketing strategies for the presentation of their country “brand”, which encompasses their products, services, people, and places within in the country. In the same way, businesses or entrepreneurs that come to the country looking to export products or services must evaluate this “made in” construct, or COO effect that outsiders experience, and determine how that would affect the viability of their business succeeding. And in doing this, insights may be gathered that allow informed businesses to craft a successful marketing strategy for their product or service that will appeal to the outside public.

In my review of the literature, I addressed the country-of-origin effect and how it is formulated. I also introduced the idea that there is a certification conundrum, giving the example of the ambiguity of coffee purchasing preferences, and then finished with an examination of what the effect means for an entire country and its role in the world marketplace. Based on this information gathered and personal insights, I conducted a survey that lends further explanation to each of these themes and seeks to answer the question of how the country-of-origin effect plays a major role in the marketing of a country. As you will see, my country of focus is Costa Rica. Having lived in Costa Rica for a semester and visited numerous other times, I believe my personal knowledge, combined with the review of published literature and a survey constructed using COO indicators, will give a more holistic picture of how well known and received Costa Rica and its products are by the general public of the US. From this, I hope to assess how successful a new business venture in Costa Rica might be.

Research Methods

In order to completely analyze the aforementioned themes, my research consisted of a mix of in-depth secondary literature analysis coupled with a primary research survey. I began my research by seeking out credible, peer reviewed literature that discussed the history of the country-of-origin effects as well as literature that reported on past data collected about country-of-origin perceptions. A review of the existing literature revealed that a published study of the country-of-origin perceptions of Costa Rica did not exist. Therefore, I took an established scale from academic, peer-reviewed literature and applied it to Costa Rica in the form of a survey. For my second theme, an exhaustive search of business articles and reports related to the significance of certifications in the buying process, lead me to the decision to focus on the college-aged and above demographic, considering that 54% of Americans above the age of 18 drink coffee everyday (statistic brain). I decided surveying the college aged demographic would provide an interesting perspective on matters of both country of origin and factors affecting the purchasing process. In addition to a review of published information regarding country-of-origin, food certifications and Costa Rica's country image and marketing strategies, I developed a survey to address each of these themes as well. In general, my survey sought to answer the question of whether or not people have preconceived ideas about the country of Costa Rica, and furthermore, to discover whether or not they make decisions based on these perceptions.

The information gathered in my survey was valuable in supporting my secondary research findings and added variety to the information I gathered. Utilizing a research matrix, I was able to categorize my data in order to make sure that each of my themes was thoroughly answered, whether by existing literature analysis or my survey questions. It is with this information that I have collected that I will present my findings as well as add insights and provide recommendations.



= total of 173 survey respondents



- 56% college students



- 60% college students marketing majors

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- Seniors - 85%
- Juniors - 7%
- Sophomores - 3%
- Freshman - 2%
- Grad Student - 2%

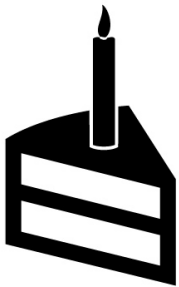


- 51% - number of respondents who have never visited Latin America
- 22% have visited at least once

Demographics



- 40% male
- 60% female



- 57% 18-25 year olds
- 32% 45-60 year olds



- 46% respondents know where Costa Rica is (F)
- 14% thought Costa Rica was Honduras (A)



- 5 - average number of trips taken to visit a foreign country

Research Results

Theme 1 Results:

The country-of-origin effect, or “made-in” concept, is essentially the idea that a person will make purchasing decisions based on preconceived ideas that that person has about a country, in light of their knowledge, or lack thereof, of the country’s economic, political, social, and environmental climate. In a study conducted by R. Mohan Pisharodi and Ravi Parameswaran of Oakland University, there are twelve “General Country Attribute” statements, or indicators, that were found in previously published literature that are used as a “country-of-origin scale” to measure consumers’ perceptions of a country. In my personal research, I evaluated the Country-of-Origin effect from two different perspectives, (1) using General Country Attributes to assess my respondents’ perceptions of the US, Italy, and Costa Rica and (2) asking respondents to rate the “country image” of the US, Italy, and Costa Rica to gather a picture of overall perceptions of each. In gathering this data, I wanted to gain a baseline understanding of the general consumer’s perception of each country, focusing on the data collected about Costa Rica – as it will relate to my following themes.

(1) General Country Attributes Assessment

For one of the questions in my survey, I listed eight of the twelve “General Country Attribute” (GAC) statements and asked respondents to select which statements they thought accurately described a nation. I chose eight of the indicators because of the ease with which they translated into a survey question. These “attributes” are referred to more strictly as “indicators” that have been used in previous research conducted over country-of-origin perceptions. They are considered *indicators* because they are considered to be some of the most important country attributes that consumers/people base their perceptions on.

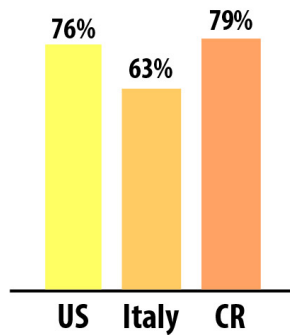
The indicators chosen from the GAC scale are as follows:

- Friendly & Likeable
- Artistic & Creative
- Well Educated
- Hard Working
- Technologically Developed
- Elevated Standard of Living
- Economically Developed
- Participates in International Affairs

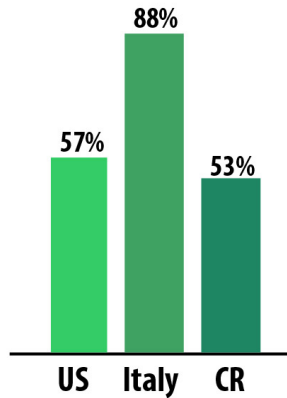
As previously mentioned, I also posed the question in a way that allowed me to assess cross-country comparisons of three countries, including the United States, Italy, and Costa Rica, in order to fully understand the perceptions of Costa Rica relative to a comparable developing country (Italy) and a developed country (US). Respondents were simply asked to “*select all that apply based on your perceptions of the individual countries listed and/or the people living in the countries listed*”. In the graphs below, the

countries' scores are compared to one another. It is important to keep in mind that we assume the general population has no extensive knowledge of either of the foreign countries and that they are responding simply based on what they perceive.

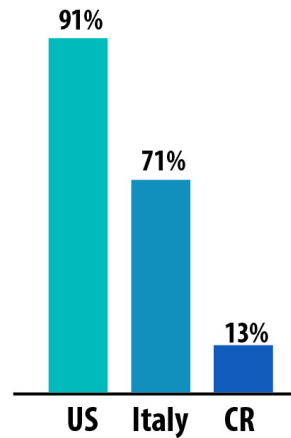
Friendly & Likeable



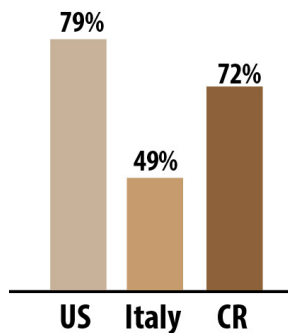
Artistic & Creative



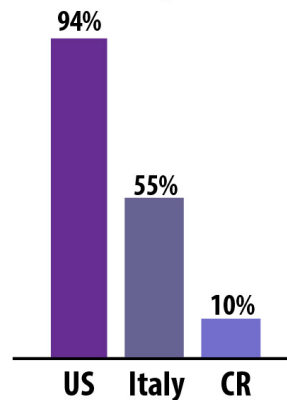
Well Educated



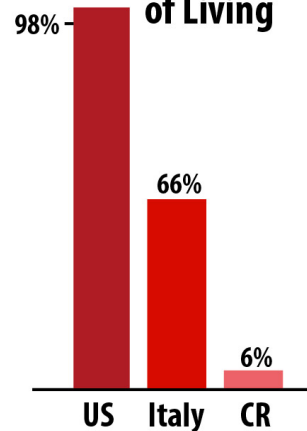
Hard Working



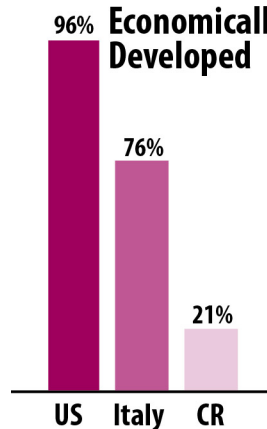
Technologically Developed



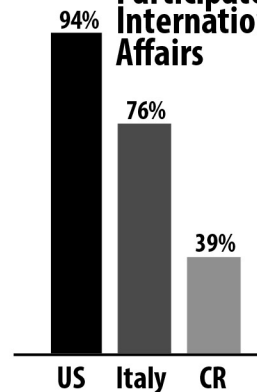
Elevated Standard of Living



Economically Developed



Participates in International Affairs

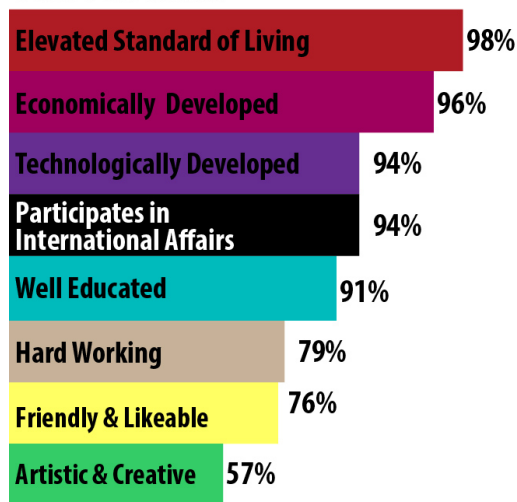


From each of these small graphs that show comparisons on each factor, we can draw some key takeaways:

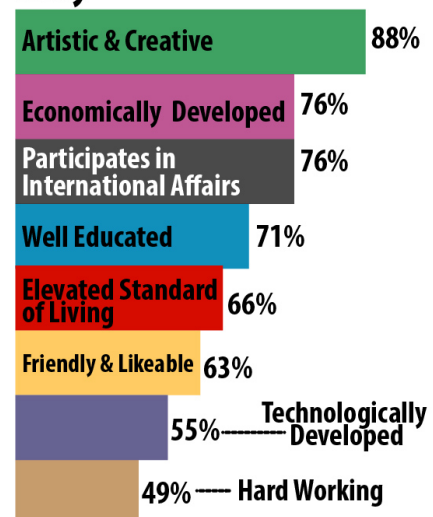
- The US received the highest consensus on the “Elevated Standard of Living” attribute
- Costa Rica received the highest consensus on the “Friendly & Likeable” attribute
- Italy received the highest consensus on “Artistic & Creative”
- Costa Rica scored lowest on 6 of the 8 indicators

I constructed a “country profile” of each country based on the responses each survey participant gave.

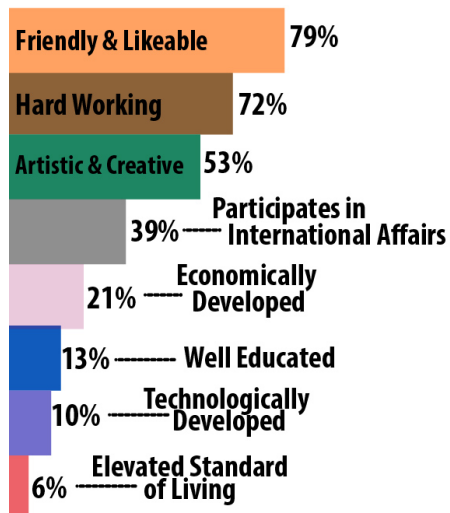
United States



Italy



Costa Rica



- The percentages displayed on each graph represent the percentage of respondents who perceived that country to exemplify that specific attribute, based on personal perceptions

From the country profiles, it is clear that the US had the highest percentages, which we can assume means it has the most positive country-of-origin perceptions. Italy falls just behind the US with fairly similar percentages. Clearly, Costa Rica received the lowest percentage of positive outlook on attributes, meaning fewer people said Costa Rica exemplified the General Country Attributes. We assume this to mean that Costa Rica is perceived as inferior to the US and Italy. Costa Rica had the lowest percentages overall which reflect a relatively poor country-of-origin effect, meaning consumers will not think as positively of Costa Rica as they do when they see that a product or service is from there. Now that we have compared and established baseline perceptions for each country, noting that the US is well perceived, Italy is mildly well perceived and Costa Rica isn't as well perceived as the preceding two, we will outline what each country looks like according to the ten country image indicators.

(2) Country Image Assessment

To develop an idea of a country's "image", I asked respondents to evaluate the country based on ten indicators.

The ten indicators that help shape "country image" are:

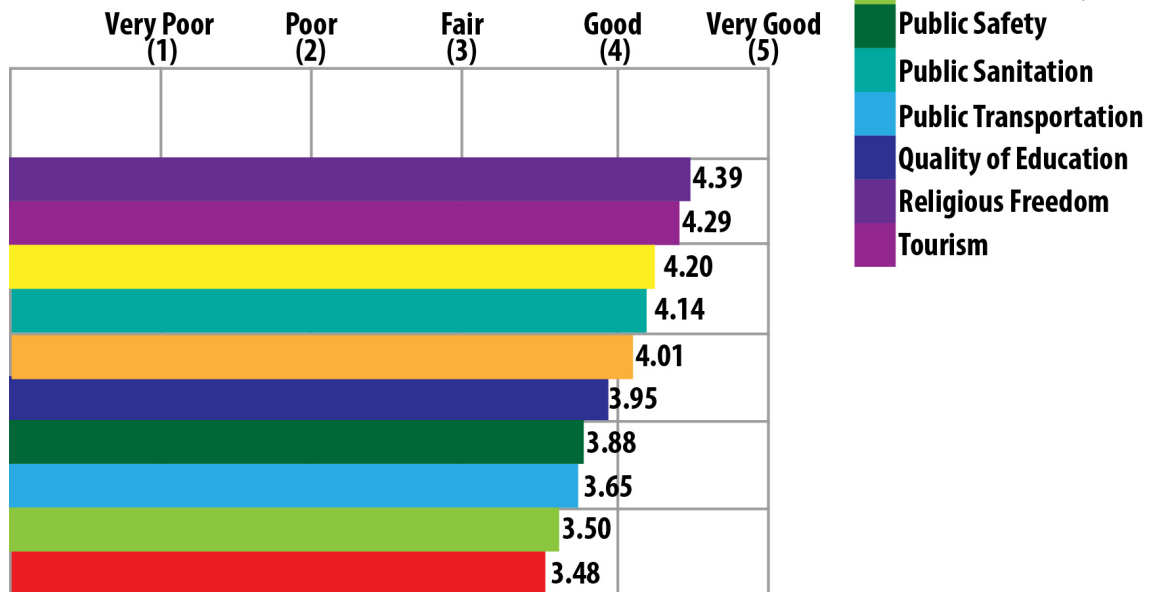
1. Cost of Living
2. Economic Opportunity
3. National Pride
4. Political Stability
5. Public Safety
6. Public Sanitation
7. Public Transportation
8. Quality of Education
9. Religions Freedom
10. Tourism

Respondents were asked to rate, from 1-5 (very poor to very good), different characteristics of a country based on their personal perception of the country. This was done in three separate questions, again pinpointing the US, Italy, and Costa Rica, so that I might be able to draw conclusions based on cross-country comparisons. I was clear in telling the respondents that there were "no right or wrong answers" because I wanted answers based solely on perception. Below are graphs that depict respondents' perceptions of each country's image.

United States Country Image Profile

Rank the following factors based on your perception of the United States.

There are no right or wrong answers.



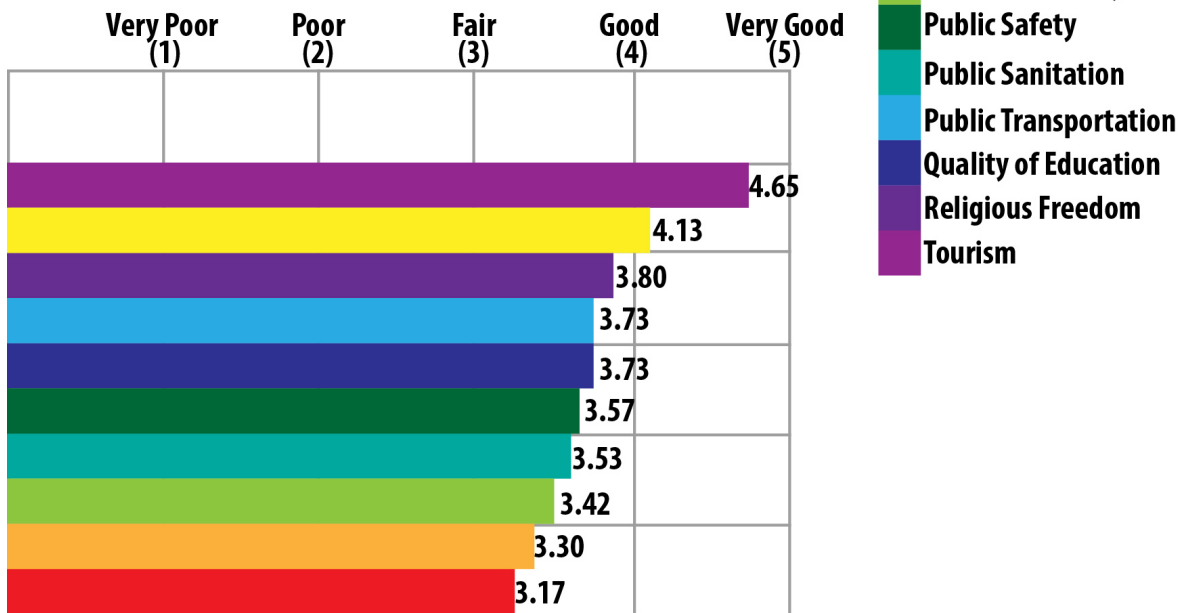
Points of interest about the US:

- The **highest** average was *Religious Freedom*
- The **lowest** ranked indicator was *Cost of Living*
- 50% of US country image indicators were *above* a 4.0 – good.

Italy Country Image Profile

Rank the following factors based on your perception of the United States.

There are no right or wrong answers.

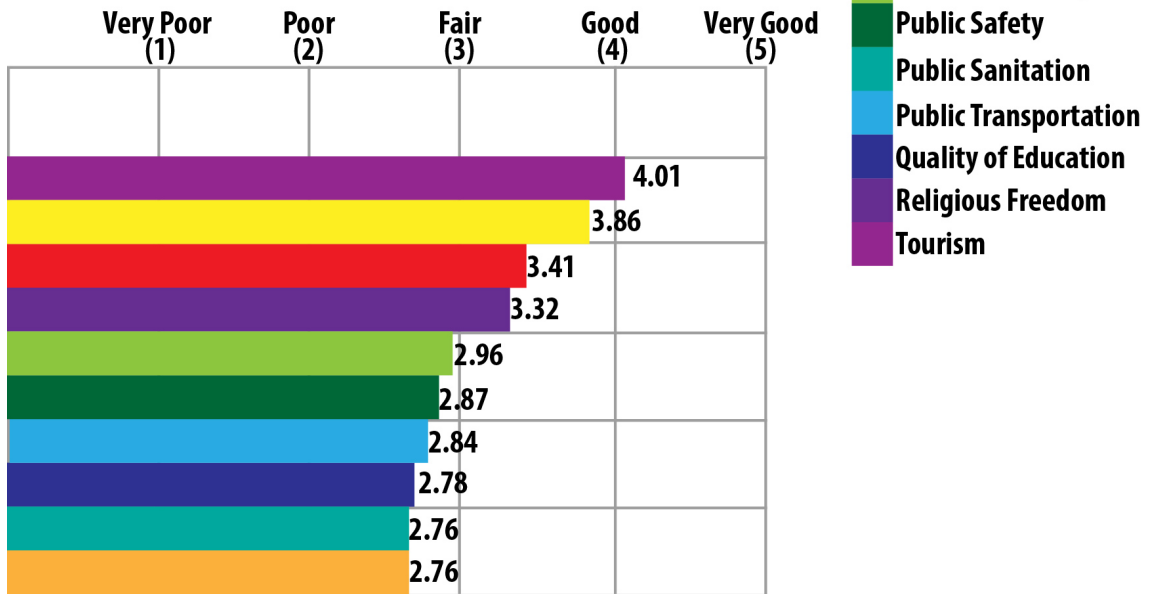


Points of interest about Italy:

- Italy received the overall **highest** average rank of *Tourism* – 70% of respondents agreed that its tourism is *good – very good*
- Italy’s **lowest** average ranked indicator was *Cost of Living*
- In a breakdown of responses, no respondent thought Italy’s “Tourism” was any variation of “poor” (zero people said it was very poor or poor)

Costa Rica Country Image Profile

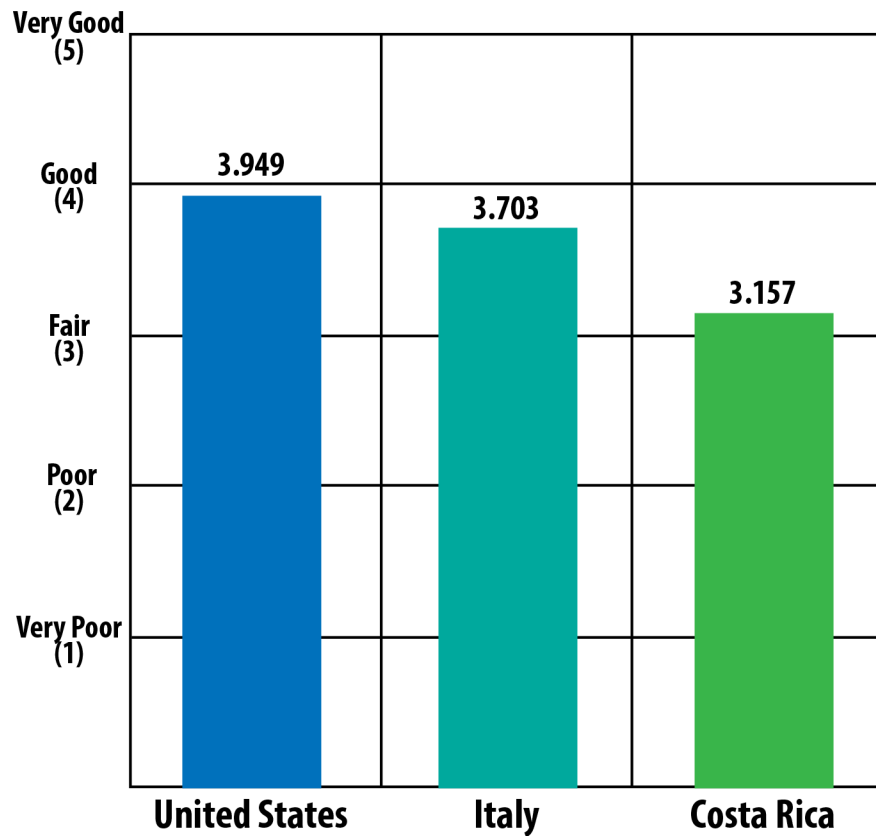
Rank the following factors based on your perception of the United States.
There are no right or wrong answers.



Points of Interest for Costa Rica:

- Its **highest** ranked indicator was *Tourism* – which is lower than Italy's 4.65 for Tourism
- Costa Rica's **lowest** ranked indicators were *Economic Opportunity* and *Public Sanitation*
- The majority of Costa Rica's averages appear to fall between 2.7 and 3.0, a small window

Overall Country Image Rank



Overall Rank of the Three Countries (average rank, 1-5)

1. US – 3.949 – good
2. Italy – 3.703 – fair to good
3. Costa Rica – 3.157 – fair

Key Overall Takeaways of Country Image

- the US was ranked in good/very good on the majority of the factors
- 72% of respondents felt that Italy's tourism was 'very good'
- 37% of respondents said that the "economic opportunity" in Costa Rica is poor, compared to Italy and the US where economic opportunity was ranked as 'Fair' and 'Good', respectively
- there was never a majority of respondents that perceived Costa Rica to be 'very good' on any factor

Conclusions about Country-of-Origin & Country Image

Based on my analysis of how respondents view a country according to the COO effect, General Country Attributes as well as country image indicators, it is clear that the US is the most positively perceived and Costa Rica is the most poorly perceived country of the three. Costa Rica received consistently lower percentages on General Country Attributes as well as overall lower average ranks on the country image indicators.

Implications for New Business Ventures in Costa Rica:

- One of Costa Rica's bottom three ranked indicators in country image was *quality of education*, which is important to note because Costa Rica has a 96.3% literacy rate, the highest in Central America, and it spends 6.3% of its GDP on education expenditures, which is the 34th highest compared to other countries in the world (CIA Factbook). However, the general perception of respondents is essentially that Costa Rica has a relatively poor level of education. This can have implications for businesses wanting to outsource work to the country, because if their perception is that the general population of Costa Rica is uneducated, they will look elsewhere to outsource their work.
- Costa Rica's highest ranked country image indicator was *tourism*, however, it averaged a 4.01 compared to the US at 4.29 and Italy's 4.65. It is fair to assume from this that when travelers are looking for a new destination to visit, they would be more likely to choose Italy because its tourism industry is more positively perceived than Costa Rica. I will discuss later in my research how this statistic affects marketing strategies for the country of Costa Rica.

Theme 2 Results – The Certification Conundrum:

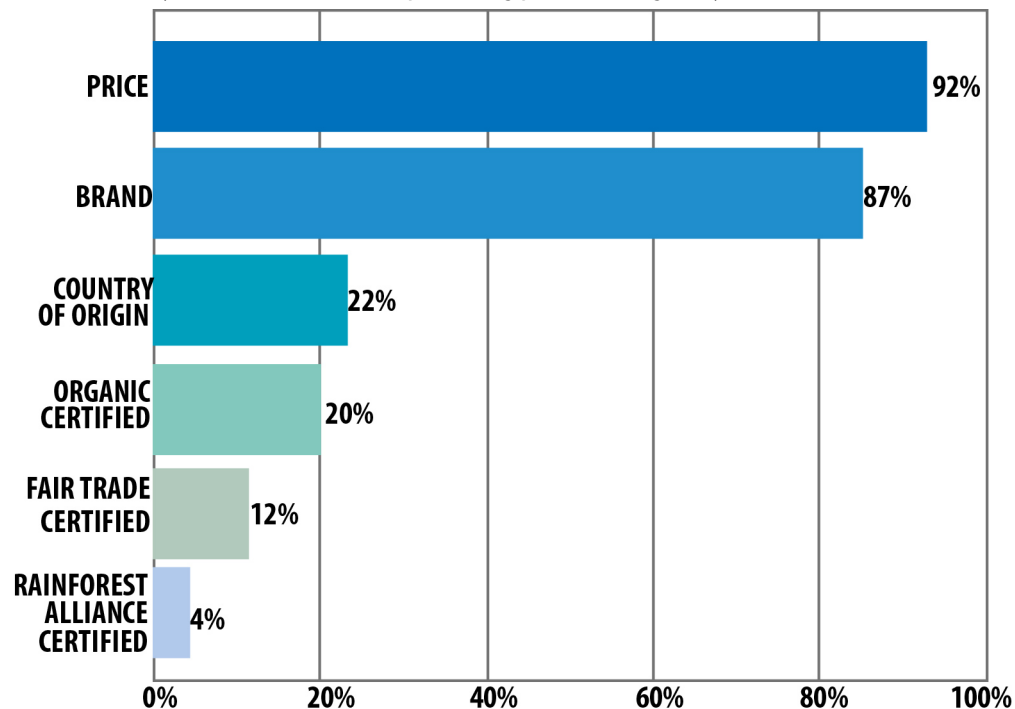
Though the majority of my research did not focus on what kinds of certifications there are and how products get them and why, I did find it important to analyze what consumers think about certifications and if they play a role in the purchasing process. According to previously discussed information, certifications are a source of information for consumers in terms of trustworthiness of sustainable products, however, certifications appear to play a small role in influencing the switching behavior of consumers. For this theme, I addressed the idea of this “Certification Conundrum” by using a tiered approach, starting with (1) general purchasing habits, and then getting more specific to (2) purchasing habits related to coffee, and finally the most specific on (3) country based purchasing habits related to coffee. I collected my own data, surveying the college age demographic and above, about their buying habits and considerations, as well as coffee consumption habits and reasons for purchasing particular products. I also found it important to gather perceptions this demographic has on coffee products of other countries in order to compare it to Costa Rica perceptions, keeping in mind that this data could be useful for someone wanting to go into the coffee business in Costa Rica.

(1) General Purchasing Habits

In order to achieve a baseline understanding of what consumers pay attention to when they are purchasing products in a grocery store, I asked them a series of questions related to their purchasing habits and thoughts. In the first section, I asked respondents to check all that apply from the following list: price, brand, country of origin (where the item came from), Fair Trade Certified, Organic Certified, and Rainforest Alliance Certified. Depicted below is a graph showing what factors consumers consider, ranking from most considered to least. Percentages indicate the percentage of respondents that said they consider the factor listed.

General Purchasing Habits

What factors do you consider most when purchasing products in a grocery store?



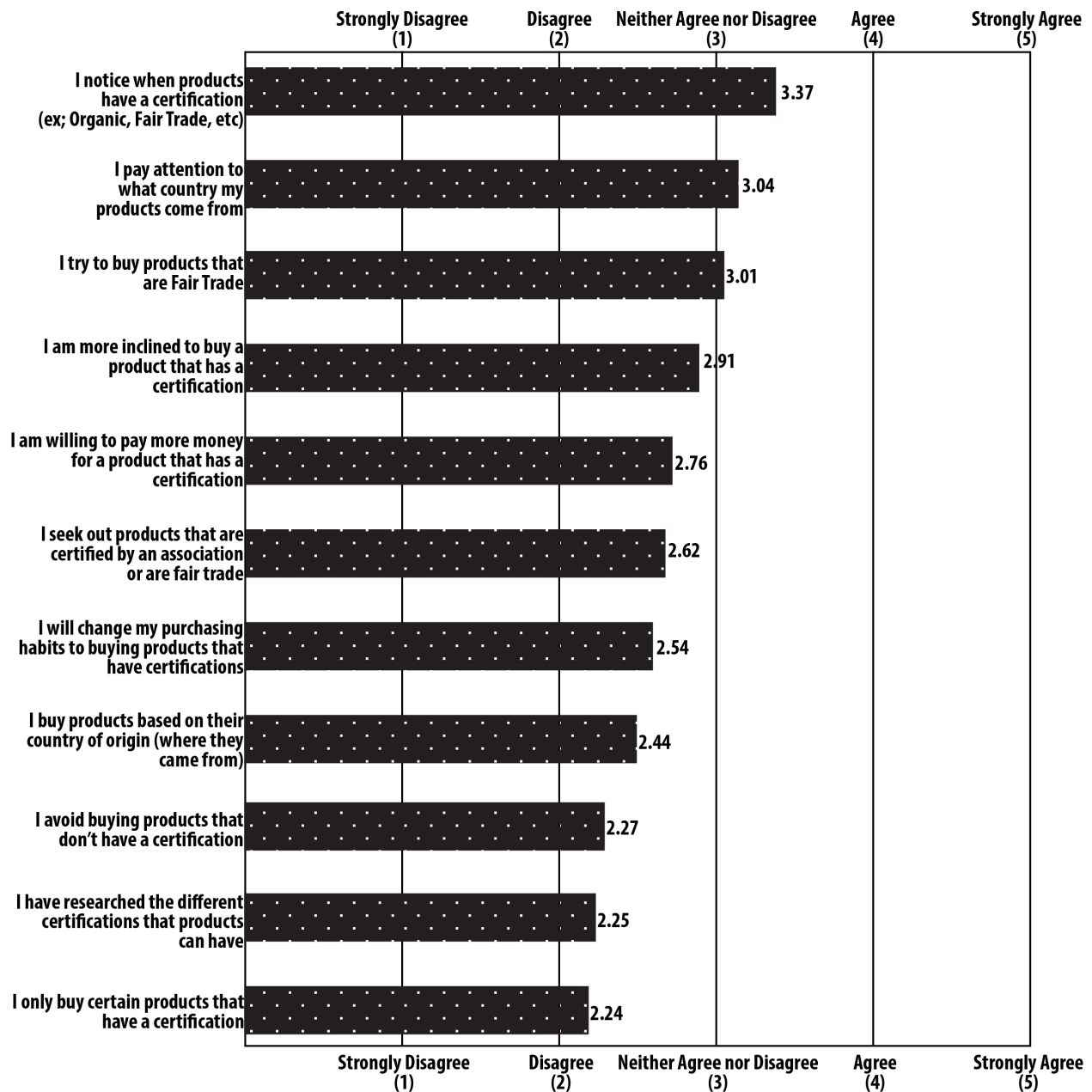
Points of Interest:

- The top two most considered factors are Price and Brand, at 92% and 87% of respondents respectively, then it drops off significantly to Country of Origin, where only 22% of respondents consider that factor when purchasing.
- Consideration of certified products is clearly lower than the rest of the factors, indicating the consumers give less thought to products that display certifications

The next question I posed was in the form of a series of statements, asking respondents to rank how strongly they agree or disagreed with the statement. My goal in doing this was to construct a consumer profile, trying to gauge how the average consumer makes decisions, based on their thoughts and opinions. Below is a graph depicting the average response to each statement.

Basic Consumer Purchasing Profile

Select the option that expresses the degree to which you agree with the statement.



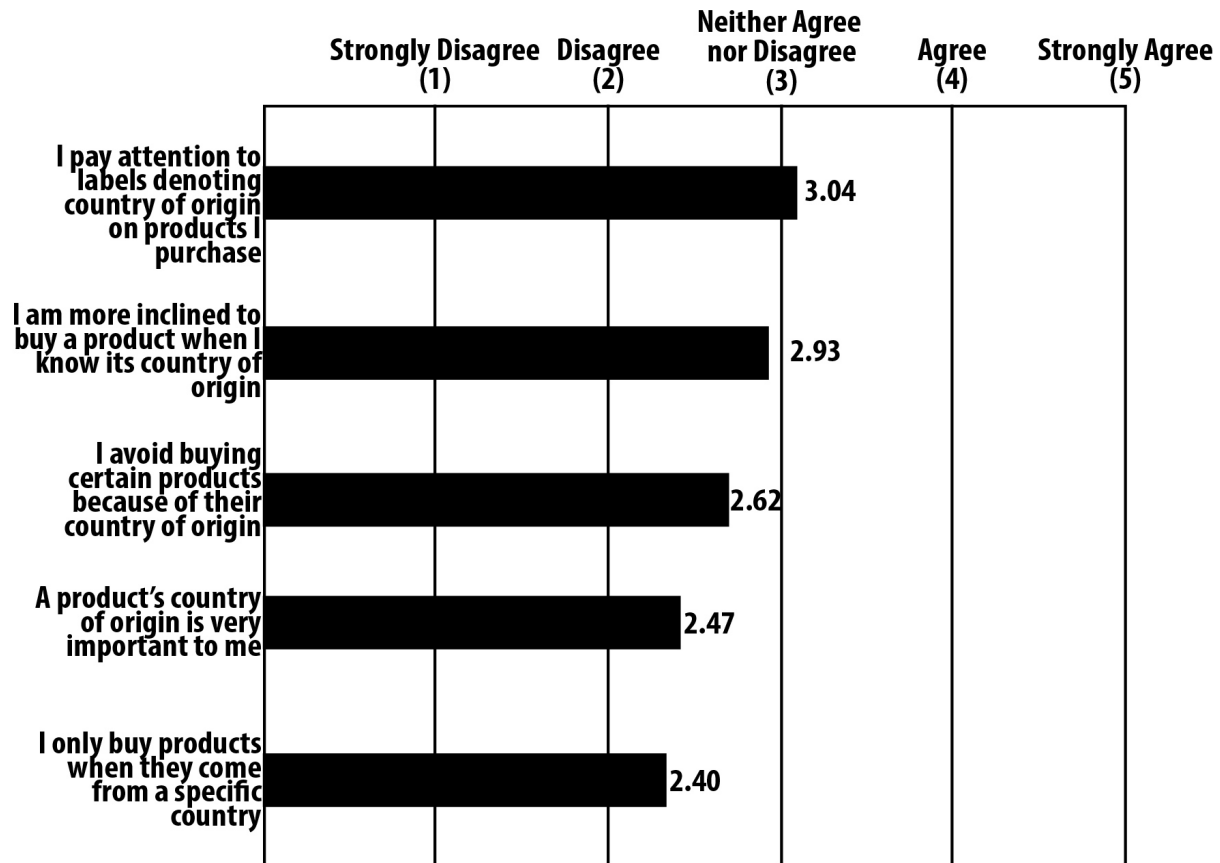
Key Points of Interest:

- The majority of respondents *disagreed* with the statements, all of which dealt with the idea of a certification or country of origin aspect
- The majority of respondents disagreed most consistently with the statement *I only buy products that have a certification*, meaning they do not seek out products with certifications
- According to the graph, because most respondents disagreed to the statement, *I have researched the different certifications that products can have*, we can assume this means that most respondents *have not* researched different certifications
- Some of the most variation in response occurred with answers to the statement “*I notice when products have a certification (ex; Organic, Rainforest Alliance, etc)*”. On this statement, *49% of respondents actually agreed* with the statement, but because of a wide variation of response, the average respondent *neither agreed nor disagreed* with the statement, as is reflected with the mean response of 3.37 (shown on the graph). From this, we can infer that half of the time consumers *do* notice certifications.

After getting a general idea of how consumers made purchases, I wanted to focus more specifically on their purchasing habits related specifically to country-of-origin. Therefore, I asked respondents to rank a series of statements according to how strongly they agreed or disagreed with the statement. Below is the breakdown of how people responded, showing the average response to each statement.

Country-of-Origin Purchasing Profile

Select the option that expresses the degree to which you agree with the statement.

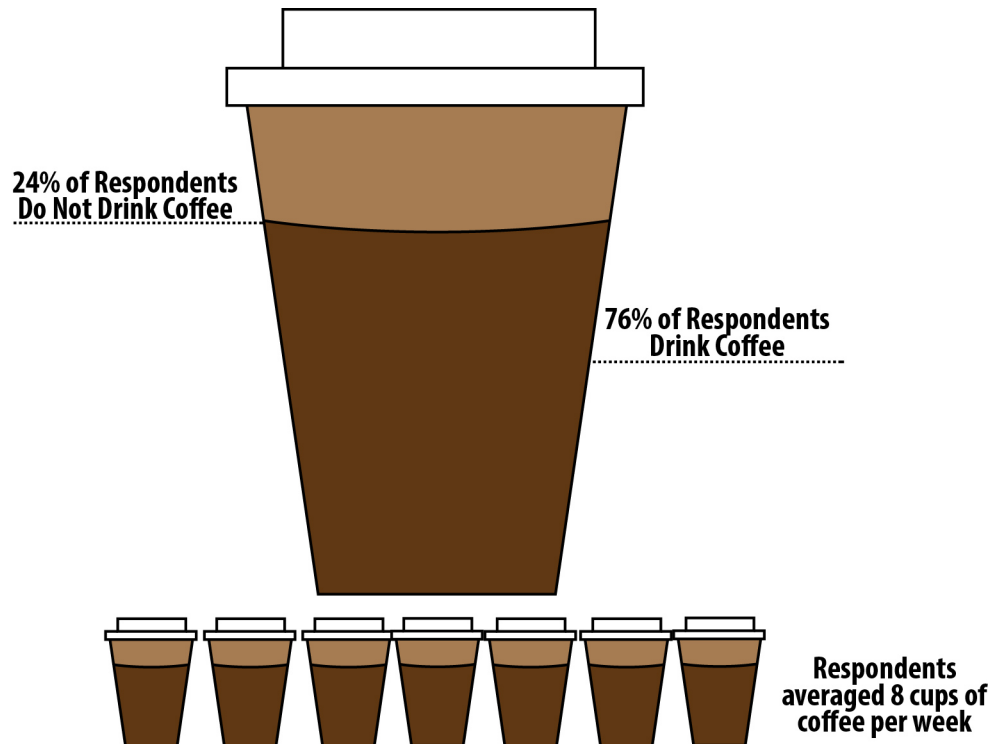


Points of Interest:

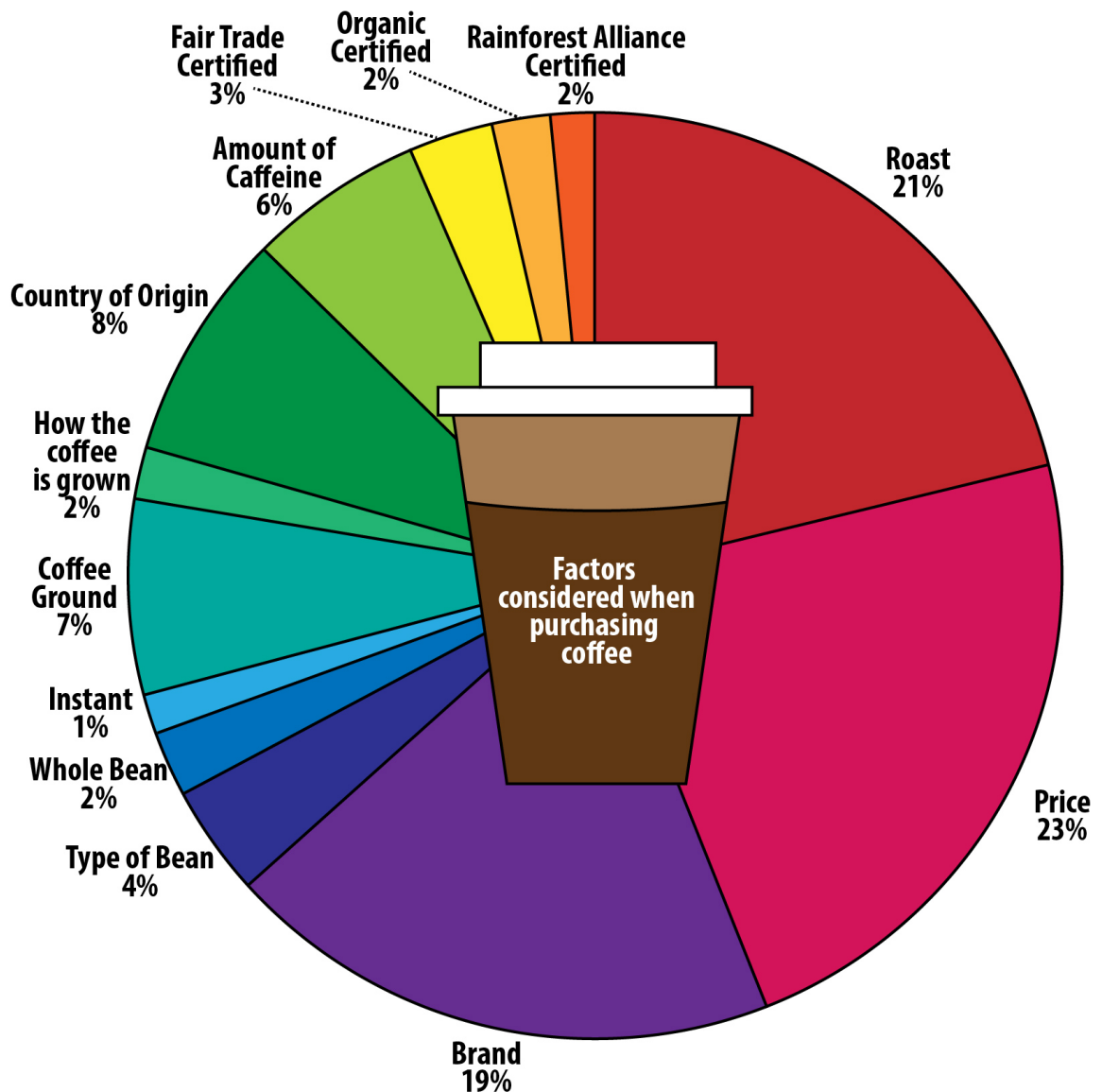
- Responses were varied overall – most respondents said they either agreed, neither agreed nor disagreed, or disagreed with each statement, which is why the averages range mainly between 2 and 3.
- In the breakdown of responses, the most consensus occurred with the *disagreement* of the statement that “I only buy certain products when they come from a specific country” – 48% of respondents said they disagreed with this statement, meaning people do not necessarily demand that their products be from a specific country.

(2) Coffee Purchasing Habits

In order to sort through the varied responses, I wanted to focus more specifically on coffee itself and determine if certifications and country of origin play a more significant role in the purchasing of coffee. In doing this I first asked how many of the respondents drank coffee and how many cups they averaged per week. The graphics below show the responses.



The respondents that said they drank coffee were then directed to a series of questions that I asked specifically about coffee purchasing habits. I wanted to delineate the factors that consumers most consider when buying coffee. The pie chart below depicts the breakdown of how important different factors are in purchasing decisions.



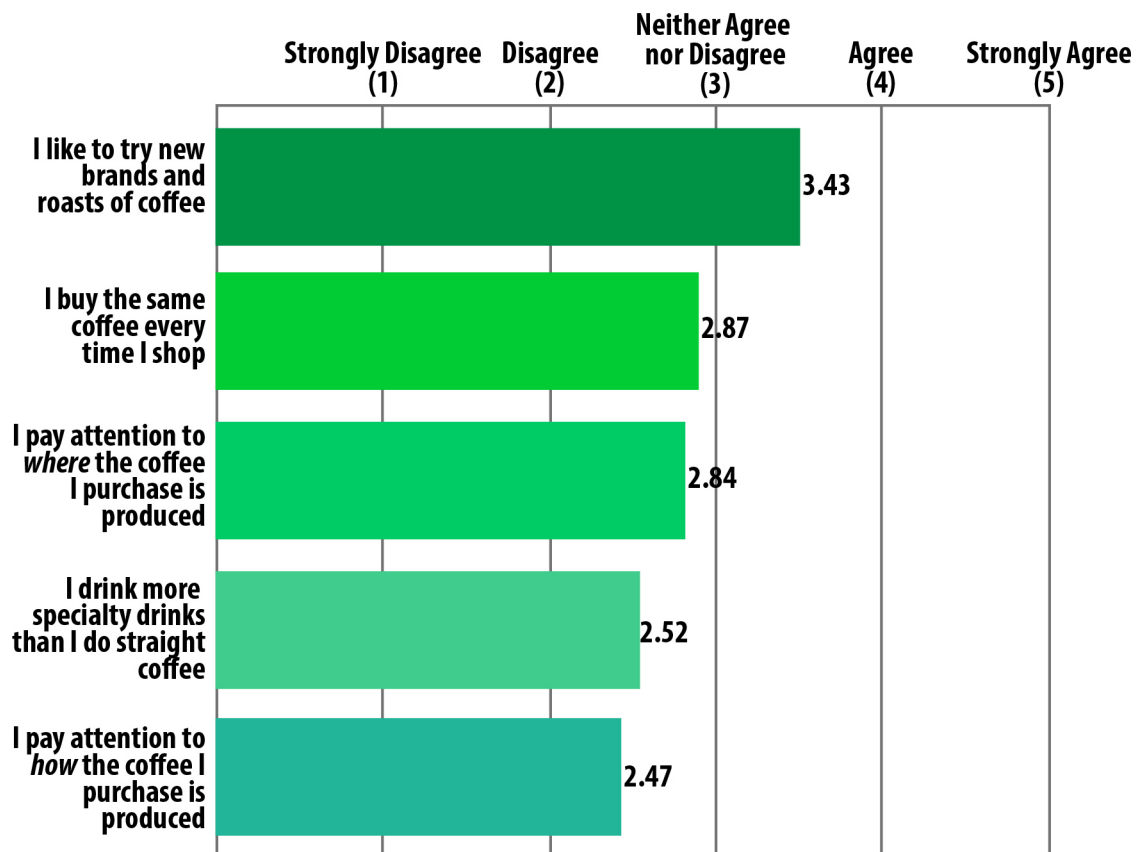
Key Points:

- Price, Roast, and Brand are the highest considered factors – they make up 63% of the purchasing decision
- Country-of-origin is considered more often than any certification and is the fourth highest consideration behind Brand, 27% of respondents said they take COO into account when purchasing coffee
- Again, certifications are a minimal factor in the purchasing process

After getting a feel for how many people drink coffee, how many cups they average per week, and what factors they consider most when purchasing, I asked respondents to again, rate how strongly they agreed with statements specifically relating to coffee to expand the coffee purchasing profile. Below is a graph that shows the average response to statements about purchasing coffee.

Coffee Purchasing Profile

Select the option that expresses the degree to which you agree with the statement



Key Points:

- 42% of respondents agreed that they like to try new brands and roasts of coffee, which is an important statistic for those seeking new coffee ventures
- Respondents consistently disagreed with the bottom four statements

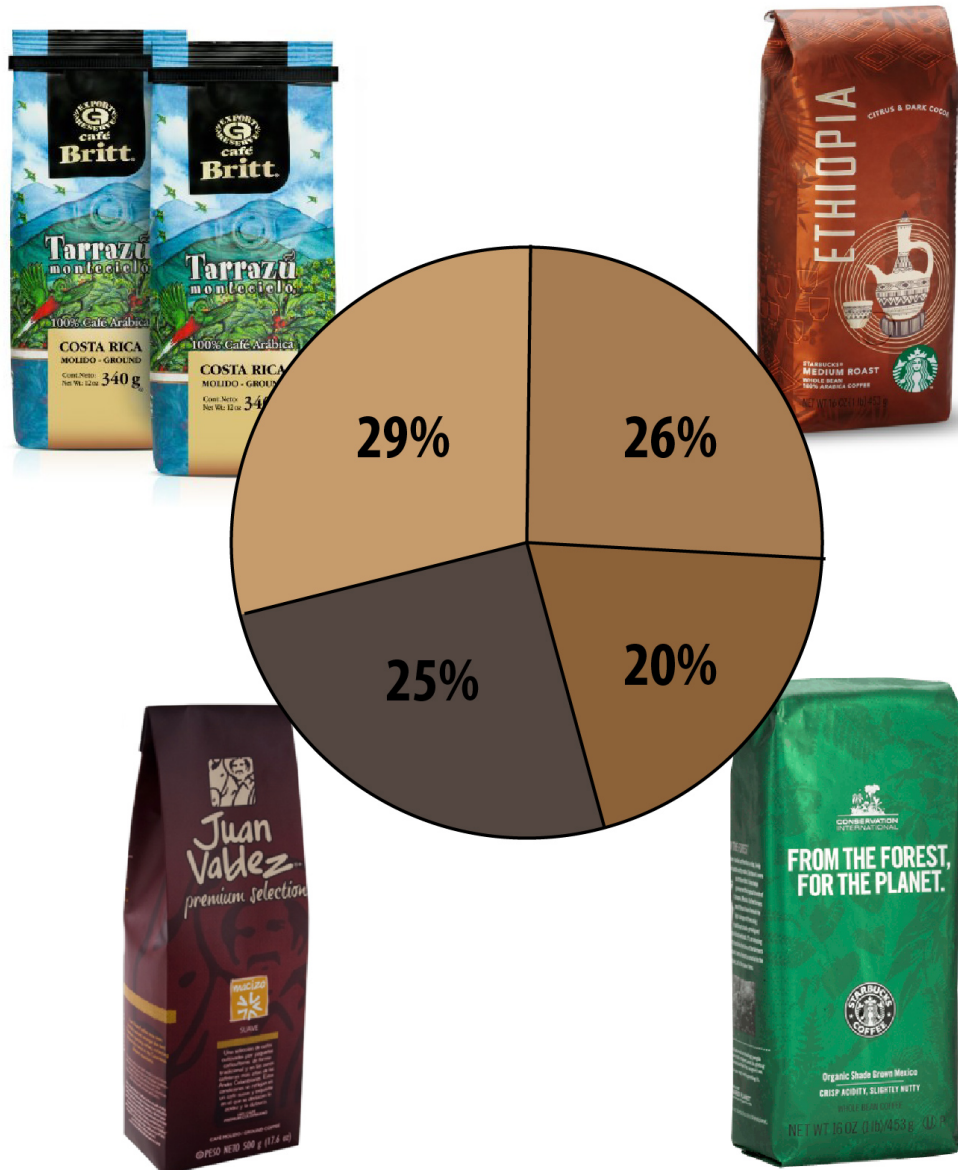
With a better picture of the purchasing process for respondents, I then asked questions related more specifically to country-of-origin, utilizing cross-company comparisons to gather data about how consumers view coffee around the world. I also gathered feedback on why customers liked specific packages of coffee to gather an understanding of how different packages appeal to people, especially noticing if the presence of a certification or COO makes a difference to the consumer.

(3) Country Based Purchasing Decisions

First, I asked respondents to rank the quality of coffee of top country exporters/providers in the world. The seven countries I chose were the United States, Costa Rica, France, Ethiopia, Italy, Vietnam, and Colombia. Below is a graph showing how respondents ranked different country's coffee. The countries are listed top to bottom, highest quality to lowest quality coffee according to respondents opinions. Clearly, the top three countries are Colombia, Costa Rica and Ethiopia.



After getting consumers' opinions on the quality of coffee a country produces, I presented them with four different coffee packages and asked them to select which one was their favorite. I chose some recognizable brands like Starbucks and Juan Valdez, and also included a Costa Rican coffee. I also made sure to include coffee packages that clearly denoted country-of-origin and/or showed a certification, to see if it caught consumers' attention. Below shows the breakdown of what percentage of respondents found a certain coffee package most appealing. As can be seen, Costa Rica's Café Britt was the most appealing to the greatest percentage of respondents; however, it was not a significantly higher percentage than those that said they liked the other coffees. Choices were fairly evenly disbursed between the four packages.



For this question, I wanted respondents to choose the most appealing package in their opinion. I did not specify what “appealing” necessarily meant, which is why in the next question, I asked respondents to state why they found certain packages appealing. Below are several statements of interest.

It seems the most **natural** and reminds me of chocolate for some reason

The color of the package represented the type of **sensation** I wanted in the roast

If I wanted to try something new I would try this one because it looks like it comes from a smaller manufacturer and might be **higher quality**.

Says the coffee is **organic** and has the *conservation international logo*.

I picked this because it looks more like they **care** about the earth

Connected with the Colombian coffee ads featuring "Hand picked by Juan Valdez" from years ago
Artistic but understated.



It looks like the product we **usually** buy

Familiar with the brand The green color makes it seem like a more **eco-friendly** option
Attracted to colorful **pleasant** tropical graphics...assumption of rich authentic product

It seems fresh and like I am having a **positive impact** on the world by buying it

Gave me a greater sense that **greater care** and **pride** were taken to grow and collect the coffee
gives you an image that I can **imagine** myself sitting in while I sip my coffee

The statements above are actual quotes from people and their thoughts on different packages, mainly displaying what was important to them and what they looked for when looking at a package of coffee. These statements also give insight into how some people feel when they are purchasing coffee, such as wanting to buy coffee that makes them feel like they could be on a "mini-vacation" when they are drinking it, as was said about the Costa Rica coffee. The words in the middle, next to the coffee cup are some words that were repeated several times, lending insight to what people focused on the most when finding something appealing about a coffee package.

Conclusions About Certification Conundrum

My general goal in this portion of my research was to identify key purchasing habits of the general consumer and then more narrowly focus on the coffee consumer. I ultimately wanted to identify to what extent consumers care about certifications on products they purchase and what other factors are considered when making purchasing decisions. Some key takeaways include:

- According to my general purchasing habits research, consumers care most about *price* and *brand*, then *country-of-origin*, and least important to them is any type of certification.
- According to my basic consumer purchasing profile research, consumers generally don't seek out products with a certification, which confirms my research found in the general purchasing habits.

- Consumers have not usually researched the different types of certifications that products can have, making it safe to assume they are probably generally unaware of what certifications mean when they are seen on different products
- Responses were varied when asked if a respondent noticed when their products had a certification, meaning some noticed and some didn't.

Implications for New Business Ventures:

- Consumers do not care as much about certifications as they do country of origin.
- Consumers look most at price, brand, and roast when buying coffee
- People generally like to try new brands and roasts of coffee
- According to my survey, Colombia, Costa Rica and Ethiopia have the highest quality coffee
- Also according to my survey, a bright and colorful Costa Rican coffee brand package was found most appealing, however, only by a few more percentage points than the next coffee

Theme 3 Results – Is Perception Reality?

A country is just as much as “brand” as BMW is a brand, Oreo is a brand, Patagonia is a brand, and the list goes on. As previously discussed, the country-of-origin (COO) effect plays a role in a person's perception of a country, as it does in products that carry the country's name, whether by a written “made in” indicator or association. It is for this reason that countries must keep a grasp on their brand and how they choose to present themselves to the rest of the world through their brand. It is also important for countries to remain aware of how their brand is viewed by the rest of the world.

According to FutureBrand's Country Brand Index Report, Costa Rica made its way into the Top 25 country brands of 2012-2013, ranked at 25th. From opinions of thousands of travelers around the world, FutureBrand (FB) gathers information on a country's culture, industries, economic vitality, public policy initiatives and more to help give a picture of how the world views each country. For the last eight years they have published a Country Brand Index Report outlining the Top 25 country brands and how and why they are ranked where they are. Costa Rica made the 2012-2013 list namely for its attractive Tourism industry. FutureBrand says of Costa Rica that, “As a relatively small force on the global stage, Costa Rica is carving out a niche that leverages its natural assets” referring mainly to its natural beauty and resources (CBI 2013). FB also claims that, “Costa Rica is a recognized pioneer in eco-tourism and a well-established destination for those with sustainability in mind.” FB is referring mainly to the image that Costa Rica has projected of itself as a cozy little country that encourages visitors to keep sustainability in mind when visiting within its borders. Ranked as the 25th Top Brand worldwide, Costa Rica has received global recognition for its sustainability efforts, however, do these opinions translate across all ages and people? This is what a published report, built on over 3,000 traveler opinions asserts. However, in the research of my third theme, I sought to determine if these claims held true for the demographic that I surveyed. I asked survey participants their opinions on pictures, statements, and videos of Costa Rica with the hopes of gauging how well Costa Rica has presented itself as an attractive country not only for tourism, but also for business.

In the midst of my early research, Costa Rica was gearing up to release a “re-branded” version of itself, including a new country motto to be introduced with a video highlighting all aspects of the country. I was able to include this video in my survey to assess participants’ opinions of how effective Costa Rica was in changing their perceptions with the release of this video. I have included this valuable information in my Theme 3 Results.

In conjunction with my literature review of the country-of-origin effect, the certification conundrum, and now specific opinions of Costa Rica, my end goal will be to tie all of this together and analyze how viable a new business venture in Costa Rica would be, based on factors previously discussed. For Theme 3 research, I approached my analysis with a (1) before and (2) after framework in mind. I asked survey participants about Costa Rica through pictures and statements related to it, as well as how willing participants would be to buy products if they knew they came from Costa Rica. Then, utilizing the release of the new video showcasing Costa Rica as a turning point, I presented survey respondents with the new re-branding video and asked them to give their opinions as well as answer a few questions regarding changes in purchasing decisions after viewing the video. This pre/post framework was extremely important in setting so that I might be able to gauge how effective Costa Rica’s new marketing/advertising ventures are as well as give insight to anyone seeking new business ventures in Costa Rica.

Before

With the goal of getting a baseline understanding of people’s initial thoughts of Costa Rica, I first asked respondents to state the first three words that came to mind when they thought of “Costa Rica”. In the graphic below, I sorted the words according to a positive and negative connotation in order to draw a contrast and show the overall opinion of respondents. The words in the middle were those that were mentioned three or more times, making them the most common words thought of when Costa Rica is mentioned. Words listed on the right and left are words that were mentioned at least once.

Most Popular Words Used to Describe Costa

positive words

relax
water
rainforest
inexpensive
sun
soccer
food
monkey
exotic
fun
dance
surf
chill
banana
cocoa
pura vida
baseball
central america
hispanic
ocean
pretty
culture
friendly
zipline

beach
vacation
tropical
spanish
warm
poor
beautiful
Latin America
coffee
tourism
hot
jungle

negative words

oppressed
rainy
drugs
earthquakes
drug trade
underdeveloped

It is clear that positive words on the left side, dealing with landscape, weather, activities, etc. far outweigh the negative words on the right side.

Out of 173 respondents:

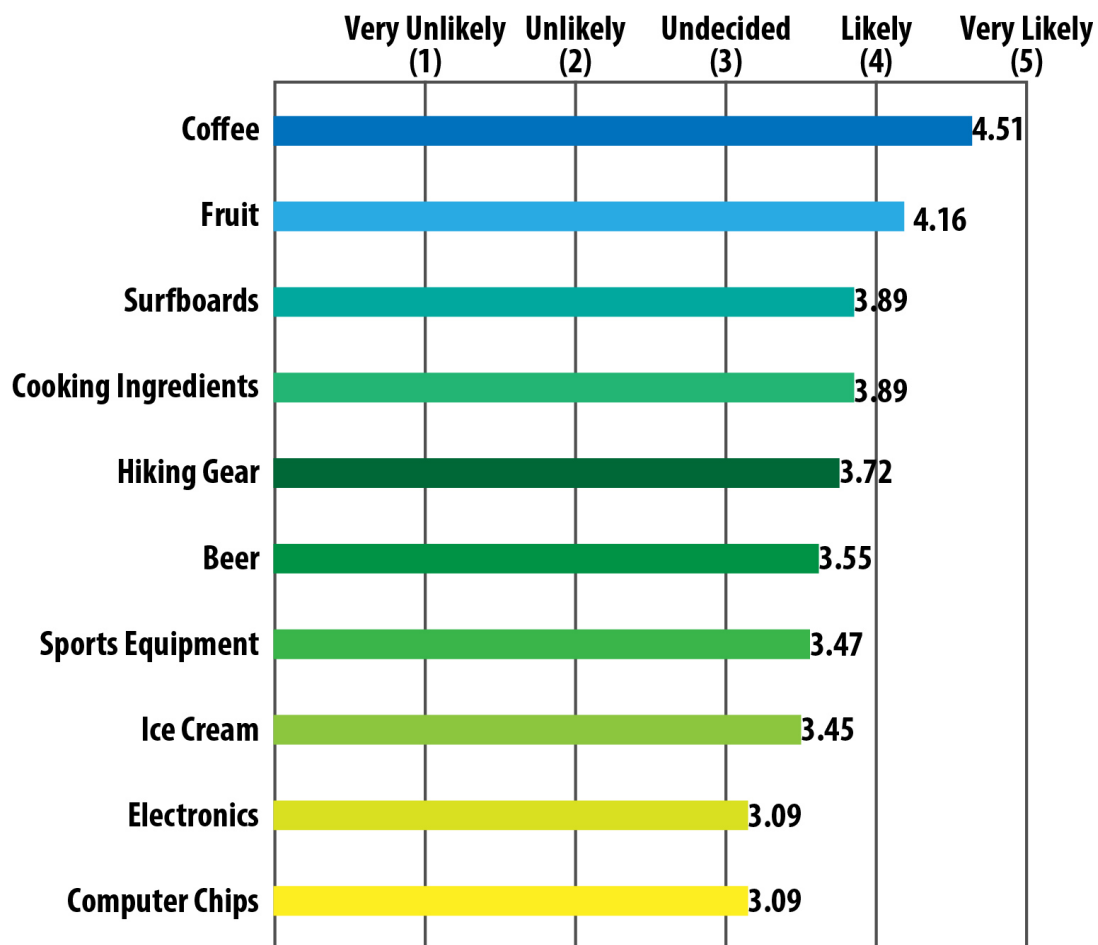
- Beach was mentioned *61 times*
- Vacation was mentioned *36 times*
- Tropical was mentioned *27 times*
- Poor was mentioned *20 times*
- Coffee was mentioned *13 times*

Based on participants' responses, it is clear that the majority of people see Costa Rica as a tropical vacation destination with beaches. Of the top mentioned words, "poor" was the only negative word, mentioned by only 12% of respondents. Thus, we assume that Costa Rica is traditionally viewed as a vacation destination, and words related to country-of-origin or country image status, such as economically stable and hard-working, are not immediately thought of.

Next, I asked respondents how likely they would be to buy certain products if they knew they originated in Costa Rica. Below shows the average response of survey participants.

Likelihood of Purchasing Costa Rica Country-of-Origin Products

If you knew each of the following products originated in Costa Rica, how likely would you be to purchase them?



Takeaways:

- People are most likely to buy coffee when it is Costa Rican (62% of respondents said “very likely” to buy coffee)
- Respondents are least likely to buy computer chips when most of Intel’s computer chips are manufactured in Costa Rica (so people are very likely to buy Costa Rican computer chips, yet they don’t even know they are made in Costa Rica)
 - This shows a lack of understanding of Costa Rica’s innovation initiatives

Next, I presented survey participants with a quote from the Tourism Minister of Costa Rica and asked for them to state their thoughts after reading the quote. The quote is as follows:

“We are a peaceful people, environmental protectors, and respectful of our culture and values. Come and discover, and partake in a magical natural and cultural experience, within a relaxing and stable environment, and with people that are easy-going, warm and friendly.”

-Allan Flores, Tourism Minister of Costa Rica

Responses to the quote were overall positive, with 76% of respondents saying something positive. Only around 8% of the responses were negative in nature, usually respondents being wary of how much truth was in the quote, and 16% of responses were neutral in nature, meaning respondents didn’t have anything specific to say but simply agreed that the quote was a fair statement. Listed below are some of the words that came up frequently in people’s responses, as well as some of the more interesting opinions about the quote.

“

surprised Makes me **want to learn more** about Costa Rica as a destination.

...leads me to believe that the Costa Rican tourism department wishes to shed their negative image worldwide, so they must create an overly positive message to draw in tourism.

safe & relaxing

I would say that the people in Costa Rica are peaceful and respectful of their culture. At the same time I don't know that Costa Rica is the safest place on earth.

inviting & friendly in my past visit...

I think Costa Rica is a place where the people are very friendly.

I don't know much about their political status **but after reading this** I think it sounds stable.

mirrors my previous thoughts The country on a Latin American standard is quite developed, peaceful, and has much more government stability and protection than others. It is **one of the few** countries I would consider visiting in Latin America without worrying about safety.

Sounds nice, although saying "stable environment" suggests that there is an **underlying perception** of instability for Costa Rica

I realize that I have **preconcieved ideas** about Costa Rica which need to be **revisited and most likely revised**.

I think that I would plan a vacation to Costa Rica after reading that statement.

*I would **feel safe and protected**. I would want to learn about their culture and the history of their country after reading that statement.*

I would be **skeptical** of the warm and friendly people part. **I don't know enough...**
I've heard people aren't very welcoming to tourists.

I would love to visit this place. Tourism is a huge part of their economy and this is a good way to let people know that they are embracing this and developing that part of the economy to produce the greatest results. People want to visit Costa Rica for a vacation for rest, relaxation, and recreation as well as to gain experience of different culture. This statement points to all of these desires.

I agree **Very fluffy statement and makes me wonder if the people are really like that or if it's a drastic overstatement.**

I have never been to Costa Rica, and I do not really know a whole lot about it. That said, this statement sounds like it is coming from someone who is trying to hard to cover something up.

It's an extremely inviting statement--one that **really draws me in**. It makes me want to visit Costa Rica and take full advantage of the many opportunities available. It also makes me aware of how environmentally friendly and eco-savvy the country is as a whole. I think they likely protect their wildlife and have strict regulations.

”

Conclusions Before the Video:

There are a few key conclusions we can gather from my primary data collected:

- People generally see Costa Rica strictly as a tropical vacation destination
 - This is positive feedback for Costa Rica from the position of someone wanting to bolster and promote its tourism industry, however, there was a lack of comments about the economic stability and business environment
- People are most likely to purchase coffee and fruit from Costa Rica
- Responses to the Tourism Minister's statement were varied, some people responding very positively and others remaining skeptical of the Minister's claims

Moving Forward

Understanding that consumers tend to see Costa Rica only as a place to visit for tourism activities, I wanted to see if Costa Rica's goals of repositioning themselves in people's minds as a place for innovation, business and economic opportunity were met through the implementation of a video showcasing Costa Rica's vast array of opportunities. Gathering feedback from participants about the video is not only helpful in determining if this goal is met but also helpful in understanding how well the country is doing in terms of marketing itself.

After

With a clearer picture of how participants initially view Costa Rica, I presented them with the recently released video entitled, "essential Costa Rica". After watching the video, I asked participants to briefly state how their perceptions of Costa Rica *changed*, not just what their perceptions were. I wanted to determine if the video had an impact on how people view Costa Rica. Below are some of the most repeated words and phrases among respondents.

“

extremely impressed
my perceptions about certain aspects of CR have now changed 100%.

innovative

I never would have guessed!

great diversity

changed for the better

making great progress

better understanding

more

I now believe it is a place of growth, culture, and opportunities.

developed

I didn't realize...

there is more to Costa Rica than tourism

The country looks much more developed than I previously thought.

I think of it as prosperous and innovative now.

I had no idea...

did not expect...

industrialized

More likely to do business there.

so much more to offer

I had largely classified the country as poor in my mind, but realize that is a gross over generalization.

have not changed

progressive

beautiful country

I assumed it was an underdeveloped country.
The area appears to be much more modern than I expected.

technology

”

Positive Responses:

- *I went from thinking it was poor to seeing the quality that they have. They have **many opportunities and technological areas** that they work in. I would be **more apt to buy something** now and want to travel to see the beautiful scenery.*
- *It appears less rural than I expected, the video showed the **more technologically advanced** aspect of Costa Rica instead of the agricultural image that was in my mind.*
- *Before watching the video, **I thought of Costa Rica as a third world country** with dirt roads, jungles, and villages. I honestly don't know how I developed that perception. I did not view it as an economically or culturally driven country at all. Now I view them as a country with cities like those found in the United States. I also view them **as a country that cares about the environment** and the products it produces and **seeks to continually improve**.*
- *It's much cleaner than I had imagined. I assumed it resembled Mexico City with lots of smog and being crowded. **Quality seems to be better** than I had imagined.*
- *Interesting country **I realize I have misconceptions** about.*
- *It makes me think more of Costa Rica than before with many things to do and having **higher technology** than I had thought before. They care very much about the environment. **Many business chances to start a business** in Costa Rica.*

Negative Responses

- ***My perceptions have not strongly changed.** The video focuses on the best parts and the most scenic and developed parts of the country. The majority of the country still faces economic and for some parts political instability.*
- ***That's a slick piece of marketing but does not change my perceptions.***

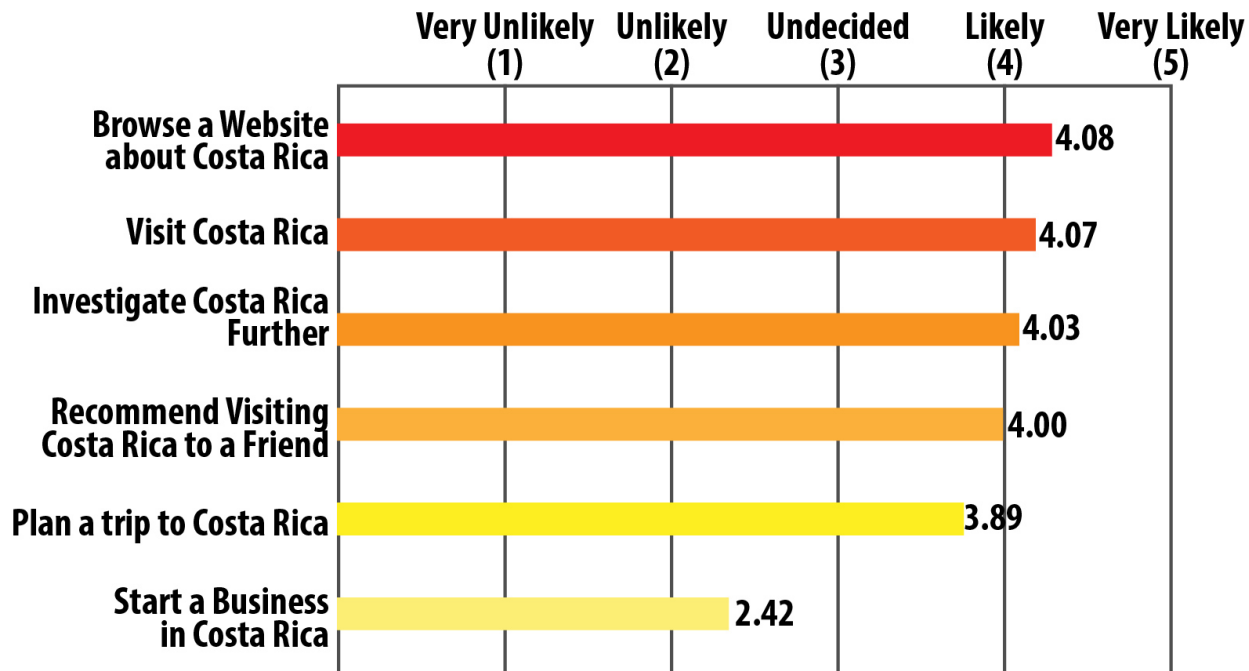
Conclusions

All in all, it appears that for the most part, perceptions of Costa Rica were changed for the better. As previously mentioned, most respondents were impressed with the level of technological innovation as well as the encouragement of new business ventures in the country, that can be aided by the abundance of resources, an educated work force, as well as economic and political stability. One respondent even acknowledged that there are many opportunities for business there. Those whose perceptions were unchanged and still remain skeptical of Costa Rica's potential were in the minority. The majority of respondents were impressed with Costa Rica and even responded incredulously to what they saw in the video, as seen in the repeated phrases and words such as, "I had no idea...did not expect...did not realize...extremely impressed..."

In the very last question of my survey, I wanted to determine if people's behavior was likely to change based on what they had viewed in the video. I presented participants with a series of options regarding Costa Rica and asked them to answer how likely they would be to do each of the following. In the graph below, I show how they answered.

Likelihood of New Behavior

After watching the previous video, how likely would you be to do each of the following things?



Takeaways:

- The video seemed to have a positive impact on respondents' perceptions due to the unanimous agreement that they would be likely to browse a website about Costa Rica, visit Costa Rica, investigate Costa Rica further, recommend visiting Costa Rica to a friend, as well as plan a trip to Costa Rica
- Despite positive written responses to Costa Rica's business environment in the previous question about the video, the majority of respondents did not come away inspired to start a business in Costa Rica
- 84% of respondents said they were either "likely" or "very likely" to investigate Costa Rica further, which means the video definitely grabbed their attention and piqued their interest

Conclusions for Theme 3

Based on the aggregation of information gained from questions asked specifically about Costa Rica, I can conclude from this section of my research that people's perceptions have the potential to be changed if given the opportunity. As many respondents said they "had no idea" or "didn't know" about Costa Rica's potential for more than just tourism, overall perceptions of the country, from tourism to the business environment, can be improved and most likely will be improved when people view the new video. For most, it appears that it is simply a lack of knowledge of what Costa Rica has to offer. People seem to consistently have the idea that Costa Rica serves as a place for tourism, adventure, and eco-friendly activities, but they are unaware of the technological innovation and economic growth that is taking place within the country. My research appears to confirm that Costa Rica should be ranked as a Top 25 country brand, however, in terms of what they are doing beyond tourism, people are merely unaware and as such, this can hurt Costa Rica. According to participant responses, Costa Rica has the potential to expand its country image into one that boasts more than just beautiful scenery and friendly people, it is a country that is striving to improve its overall image by making people aware of the opportunities that exist there, not only for leisure and vacation but also for foreign investment and economic growth.

Limitations

One of the major limitations of this study was the structure of the questions posed to survey respondents. If given the opportunity, I would have given more thought to how I would be reporting the data and what kind of numbers I would want to be reporting that would make the most sense and have the most validity in the context of my research question(s). For example, questions that asked respondents to rate how likely they would be to purchase something, I included a neutral option for most questions. In hindsight, I would not have included this option, forcing respondents to make a more concrete decision about how they feel and therefore providing me less ambiguous data. If the questions had been structured more accurately, I would feel more confident in the results I reported and inferences I made.

Another limitation I encountered, again, dealt with the structure of the question, but more so relates to the responses given. In several of my questions, I ask consumers to consider what they give the most thought to, and in hindsight, I realize these questions could exert social pressure on the respondents, causing them to answer dishonestly, or how they "think" they should respond. I realize this is a limitation that can happen with several questions and therefore, in the future, would structure my questions in a way that decreases the likelihood of respondents experiencing social pressure, therefore giving me more accurate and authentic data.

One final limitation of my research was the number of questions administered in the survey. There was a fairly significant difference in the number of people that started the survey and those that finished. I believe that the length of my survey is what caused the decrease in number of respondents that actually completed my survey and in the future, I would shorten the survey and avoid repetition of ideas presented in the questions. This would allow for consistency in responses and again, greater integrity of the data.

Conclusions, Recommendations and Implications for New Business Ventures

Is Perception Reality?

Throughout my research, I was constantly evaluating people's perceptions of Costa Rica, in terms of its people, business environment, products, coffee, etc. Beginning in theme one, discussing the country-of-origin effect and country image of Costa Rica, people's overall perceptions seemed to be more negative in terms of economic and political stability, standard of living, public transportation, etc. Especially when compared to the US and Italy. Costa Rica was consistently rated and ranked lower on all factors of country-of-origin as well as country image compared to the US and Italy. However, it was no surprise to see that people's perceptions of Costa Rica's tourism capabilities were very positive. These positive perceptions of tourism carried all the way through to the final element of my research, which was about gathering general perceptions of the country. The majority of respondents seemed to associate Costa Rica with beautiful beaches and tropical vacation spots, which is important for someone looking to branch out into tourism, however, in terms of someone looking to start a business, such as in the coffee market, this is only partially important. So what does this mean for someone wanting to start a new business?

It is apparent that Costa Rica is positively perceived in terms of tourism and friendliness, which is beneficial to the country itself as well as business people wanting to export a product from Costa Rica. According to my findings in theme one – the biggest battle would be overcoming the “third world country” image that Costa Rica still has, which is indicated in the lower ranking it received of factors such as economic opportunity, public sanitation, quality of education and public transportation (all of which were ranked fair or poor). If a business wants to export any kind of high quality product from Costa Rica, it would be best to market the product in a way that informs consumers of its credibility and dispels any fear that the product might be cheaply made. From the perspective of Costa Rica wanting to encourage people to visit – tourism was ranked highest and most positively perceived in terms of country-of-origin indicators, which works to Costa Rica's advantage. People already have a baseline positive perception of what the tourism industry can do for them and Costa Rica's main hurdle will be changing people's perceptions of the other poorly perceived indicators (those previously stated).

My second theme, dealing specifically with certifications and the role they do (or don't) play in consumer purchasing decisions, revealed and confirmed that even though certifications provide a source of trust for the consumer, their presence does not necessarily incite a switching behavior. Responses were overall fairly ambiguous, revealing that people do not feel strongly one way or another about needing their products to have country-of-origin stated and certifications included, however, my data revealed that people at the least *notice* when there is a certification on the product they are looking to purchase. Also, based on survey responses, most consumers may notice certifications but on average, most have not researched the different certifications or even know what they mean and represent. Again, all of this information has implications for a person seeking new business ventures in Costa Rica. After gathering information on general purchasing habits, I focused more specifically on purchasing habits related to coffee consumption because coffee is one of Costa Rica's top exports and is fairly well known in the world.

For someone wishing to break into the coffee business, it is important for them to understand that because research revealed that price, brand and roast were the biggest factors people considered when selecting what coffee they buy, country-of-origin and certifications do not play as big of a role in the purchasing process. However, even though the data revealed that people do not pay close attention to where their coffee comes from, they *are*, on average, willing to try a new brand of coffee. This is where new businesses, especially those breaking into the coffee industry, have an opportunity to capture the attention of coffee consumers. Out of a choice of seven countries (well-known for their coffee according to the National Coffee Association) Costa Rica was ranked second in terms of highest quality coffee. When given a choice of which coffee package was favored and why, a coffee brand from Costa Rica was picked as the favorite for not only design and color scheme but also brand and country recognition. These are important factors to note if someone is looking to sell Costa Rican coffee in the US and other markets.

In my third theme, the overall takeaway is that people are simply uninformed about Costa Rica. When I asked respondents to share about their initial perceptions of Costa Rica, before watching the re-branding video, most responses given fell on two ends of the spectrum: 1. Costa Rica is an exotic beach vacation destination or 2. Costa Rica is a poor, third world country that is underdeveloped and a hub for drug trade. This, along with similar responses given to the Tourism Minister's quote, shows that for the general population, perception is reality. I am confident saying this because of the responses I received *after* people watched the re-branding video. Most survey participants had reported an initial positive view of Costa Rica in terms of its beautiful beaches and opportunities for exotic travel, however, they had no idea about the technological innovation that is occurring within the country as well as its sustainability efforts, which is exemplified in the re-branding video. Most respondents agreed, after watching the 'essential Costa Rica' video that their perceptions had changed for the better, and that Costa Rica has more to offer than just being a vacation destination. Of their own accord, a few respondents even mentioned that Costa Rica seems to present a welcoming environment for new businesses and foreign investment, especially with the educated workforce and political stability that the video speaks to.

The results from my third theme are key in understanding how Costa Rica is performing as a brand as well as how businesses can utilize (positive) country perceptions to their advantage. As previously mentioned, the consensus from respondents is that they simply did not know about the increasing opportunities Costa Rica presents, as well as how developed they really are. A re-branding video is exactly what Costa Rica needed to revamp its country image, as well as educate people on all facets of the country. Yes, it is a developing country but the video depicts how Costa Rica is making strides to continue to develop and promote a positive country image – thus reinforcing a positive country-of-origin effect. This all has positive implications for new businesses in Costa Rica, especially after considering the positive responses received after viewing the video. Many peoples' perceptions changed and this is confirmed in the unanimous likelihood of respondents doing one or more of several things, such as; browsing a website about Costa Rica, visiting Costa Rica and investigating Costa Rica further. The video seemed to pique respondents' interests in Costa Rica that could translate to the purchasing of Costa Rica's products or even to visiting Costa Rica. From an aggregation of all of my research and data collected, it can be inferred that as people are made more aware, they are more willing to change

their thoughts, perceptions and even purchasing habits – and based on the results of my research, this is definitely the case for Costa Rica.

As I discussed in the introduction of my research, FutureBrand recognizes that Costa Rica has great potential. It is making a name for itself. Becoming ranked as the country with the 25th best country brand is a great accomplishment and has implications that spill over into all facets of the country's image. Getting recognized not only highlights what Costa Rica has done well, but also incentivizes it to perform better in other areas and theoretically improve its country image as a whole. A similar conclusion can be drawn from my research – Costa Rica is predominantly perceived as only a vacation destination, and is generally recognized as such, however, upon further education of what Costa Rica has to offer, people's perceptions are apt to change for the better. It was the right move for Costa Rica to re-brand itself with a video that showcases all that it has to offer, and based on my research and survey results, businesses are going to benefit from the new [positive] awareness. Yes, perception is reality, and as we saw - perceptions can change, and therefore, so can realities.

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